

Alcohol and Tobacco Tax and Trade Bureau, Treasury

§ 25.159

a quantity of not more than 31 gallons. The authorized fractional parts of a barrel are whole barrels, halves, thirds, quarters, sixths, and eighths, and beer may be removed in kegs rated at those capacities. The following keg sizes are also authorized at the stated barrel equivalents:

| Size of keg | Barrel equivalent |
|-----------------|-------------------|
| 5 gallons | 0.16129 |
| 30 liter | 0.25565 |
| 50 liter | 0.42608 |

(b) If any barrel or authorized size keg contains a quantity of beer more than 2 percent in excess of its rated capacity, tax will be determined and paid on the actual quantity of beer (without benefit of any tolerance) contained in the keg.

(c) The quantities of keg beer removed subject to tax will be computed to 5 decimal places. The sum of the quantities computed for any one day will be rounded to 2 decimal places and the tax will be calculated and paid on the rounded sum.

(26 U.S.C. 5051)

[T.D. ATF-345, 58 FR 40357, July 28, 1993]

§ 25.157 Determination of tax on bottled beer.

The quantities of bottled beer removed subject to tax shall be computed to 5 decimal places in accordance with the table and instructions in § 25.158. The sum of the quantities computed for any one day will be rounded to 2 decimal places and the tax will be calculated and paid on the rounded sum.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1333, as amended (26 U.S.C. 5051))

§ 25.158 Tax computation for bottled beer.

Barrel equivalents for various case sizes are as follows:

(a) *For U.S. measure bottles.*

| Bottle size (net contents in fluid ounces) | Number of bottles per case | Barrel equivalent |
|--|----------------------------|-------------------|
| 6 | 12 | 0.01815 |
| 6 | 24 | 0.03629 |
| 7 | 12 | 0.02117 |
| 7 | 24 | 0.04234 |
| 7 | 32 | 0.05645 |
| 7 | 35 | 0.06174 |
| 7 | 36 | 0.06351 |

| Bottle size (net contents in fluid ounces) | Number of bottles per case | Barrel equivalent |
|--|----------------------------|-------------------|
| 7 | 40 | 0.07056 |
| 7 | 48 | 0.08468 |
| 8 | 12 | 0.02419 |
| 8 | 24 | 0.04839 |
| 8 | 36 | 0.07258 |
| 8 | 48 | 0.09677 |
| 10 | 12 | 0.03024 |
| 10 | 24 | 0.06048 |
| 10 | 48 | 0.12097 |
| 11 | 12 | 0.03327 |
| 11 | 24 | 0.06653 |
| 11.5 | 24 | 0.06956 |
| 12 | 12 | 0.03629 |
| 12 | 15 | 0.04536 |
| 12 | 20 | 0.06048 |
| 12 | 24 | 0.07258 |
| 12 | 30 | 0.09073 |
| 12 | 48 | 0.14516 |
| 12 | 50 | 0.15121 |
| 14 | 12 | 0.04234 |
| 14 | 24 | 0.08468 |
| 16 (1 pint) | 12 | 0.04839 |
| 16 (1 pint) | 24 | 0.09677 |
| 22 | 12 | 0.06653 |
| 22 | 24 | 0.13306 |
| 24 | 12 | 0.07258 |
| 24 | 24 | 0.14516 |
| 30 | 12 | 0.09073 |
| 32 (1 quart) | 12 | 0.09677 |
| 40 | 12 | 0.12097 |
| 64 | 1 | 0.01613 |
| 64 | 4 | 0.06452 |
| 64 | 6 | 0.09677 |
| 128 (1 gallon) | 1 | 0.03226 |
| 288 | 1 | 0.07258 |

(b) *For metric measure bottles.*

| Bottle size (metric net contents) | Number of bottles per case | Barrel equivalent |
|-----------------------------------|----------------------------|-------------------|
| 500 milliliters | 24 | 0.10226 |
| 750 milliliters | 12 | 0.07670 |
| 1 liter | 12 | 0.10226 |
| 2 liters | 6 | 0.10226 |
| 5 liters | 1 | 0.04261 |

(c) *For other case sizes.* If beer is to be removed in cases or bottles of sizes other than those listed in the above tables, the brewer shall notify the appropriate ATF officer in advance and request to be advised of the fractional barrel equivalent applicable to the proposed case size.

(26 U.S.C. 5412)

[T.D. ATF-345, 58 FR 40357, July 28, 1993]

§ 25.159 Time of tax determination and payment; offsets.

(a) *Time and payment.* The tax on beer will be determined at the time of its removal for consumption or sale, and will be paid by return as provided in this part.

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(b) *Offsets.* During any business day, the quantity of beer returned to the same brewery from which removed is to be taken as an offset against or deducted from the total quantity of beer removed for consumption or sale from that brewery on the day that the beer is returned.

(c) *Offsets not allowed.* An offset or deduction for returned beer will not be allowed if:

(1) The brewer was indemnified by insurance or otherwise in respect of the tax; or

(2) The brewer does not issue credit to the customer for the tax on the returned beer within 30 days of the return of the beer. If the tax is not timely credited after the offset or deduction is taken, the brewer shall make an increasing adjustment on the next tax return.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1334, as amended, 1335, as amended (26 U.S.C. 5054, 5056, 5061))

§ 25.160 Tax adjustment for brewers who produce more than 2,000,000 barrels of beer.

Each brewer who has paid tax on beer by return, Form 5000.24, at the reduced rate of tax during a calendar year, but whose production (or the production of a controlled group of brewers of which the brewer is a member) exceeds 2,000,000 barrels of beer in that calendar year, is no longer eligible to pay tax on beer at the reduced rate of tax for any beer removed that calendar year for consumption or sale. The brewer shall make a tax adjustment for the payment of additional tax no later than the return period in which production (or the production of a controlled group of brewers of which the brewer is a member) exceeds 2,000,000 barrels of beer. The adjustment will be determined by multiplying the difference between the higher and lower rates of tax applicable to beer by the number of barrels removed by the brewer that year at the reduced rate of tax. The brewer shall make tax adjustments for all breweries where tax was paid at the lower rate that year, and shall include interest payable from the date on which tax was paid at the lower rate. In the case of a controlled group of brewers whose production exceeds

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2,000,000 barrels of beer, all member brewers who paid tax at the lower rate shall make tax adjustments as determined in this section.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1333, as amended (26 U.S.C. 5051))

PREPARATION AND REMITTANCE OF TAX RETURNS

§ 25.163 Method of tax payment.

A brewer shall pay the tax on beer by return on Form 5000.24, as provided in §§ 25.164, 25.164a, 25.173 and 25.175. The brewer shall pay the tax by remittance at the time the tax return is rendered, and the remittance will be by check or money order payable to the “Bureau of Alcohol, Tobacco and Firearms” and mailed with the return, or will be effected by an electronic fund transfer. In paying the tax, a fractional part of a cent will be disregarded unless it amounts to one-half cent or more, in which case it will be increased to one cent.

[T.D. ATF-251, 52 FR 19314, May 22, 1987, as amended by T.D. ATF-365, 60 FR 33669, June 28, 1995]

§ 25.164 Semimonthly return.

(a) *Requirement for filing.* Each brewer shall pay the tax on beer (unless prepaid) by semimonthly return on Form 5000.24. The brewer shall file Form 5000.24 as a semimonthly return regardless of whether tax has been prepaid as provided in § 25.175 during the return period. The brewer shall file a return on Form 5000.24 for each return period even though no beer was removed for consumption or sale.

(b) *Payment of tax.* The brewer shall include for payment with the return the full amount of tax required to be determined (and which has not been prepaid) on all beer removed for consumption or sale during the period covered by the return.

(c) *Return periods.* Except as provided in § 25.164a, return periods run from the brewer's business day beginning on the first day of each month through the brewer's business day beginning on the 15th day of that month, and from the brewer's business day beginning on the 16th day of the month through the brewer's business day beginning on the last day of the month.